MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2006

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

SASKATCHEWAN

2008-06134/

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet e-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2006 and the statement of operations and net financial assets for the year then ended. The Board is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration Board as at December 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
February 21, 2007

Fred Wendel, CMA, CA
Provincial Auditor

Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31

	2006	2005
Financial Assets		
Cash	$ 10,431	$ 11,719
Total financial assets	$ 10,431	$ 11,719
Net Financial Assets (Statement 2)	$ 10,431	$ 11,719

(See accompanying notes to the financial statements)

Statement 2

Municipal Potash Tax Sharing Administration Board
Statement of Operations and Net Financial Assets
For the Year Ended December 31

			2006	2005
Revenues:				
Municipal taxes due from rural municipalities (Note 5)			$ 6,841,998	$ 6,573,824
Less: Tax sharing distributions (Schedule 1)				
Areas of Influence	Rural	Urban		
Saskatoon Lanigan	$ 3,888,289	$ 432,032	4,320,321	3,768,317
Esterhazy	1,804,549	200,505	2,005,054	2,385,030
Pense	455,725	50,636	506,361	410,615
	$ 6,148,563	$ 683,173	6,831,736	6,563,962
Revenue held for general administration (Note 4)			10,262	9,862
Expenses:				
Office facilities - Saskatchewan Association of Rural Municipalities			6,000	6,000
Secretary-Treasurer's Honorarium			4,450	4,425
Board members' allowances:				
Per diem			725	900
Mileage			-	313
Sustenance			-	263
Insurance			200	200
Bank charges			175	56
			11,550	12,157
Deficit for the year			(1,288)	(2,295)
Net financial assets, beginning of year			11,719	14,014
Net financial assets, end of year (Statement 1)			$ 10,431	$ 11,719

(See accompanying notes to the financial statements)

MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2006

1. Authority

The Municipal Potash Tax Sharing Administration Board (Board) was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

2. Significant Accounting Policies

The financial statements are prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the general administration of the Board. During the year, the Board withheld 0.15% of taxes received totalling $10,262.

5. Municipal Taxes Due From Rural Municipalities

Municipality	RM#	Budget 2006	Actual 2006	Actual 2005
Rocanville	151	$ 849,822	$ 849,825	$ 991,084
Spy Hill	152	645,662	645,664	782,302
Pense	160	507,120	507,122	411,232
Langenburg	181	512,576	512,576	615,228
Usborne	310	1,286,041	1,286,139	1,148,804
Colonsay	342	690,379	690,378	599,661
Blucher	343	752,844	752,842	668,999
Corman Park	344	665,785	665,785	556,567
Vanscoy	345	931,667	931,667	799,947
		$ 6,841,896	$ 6,841,998	$ 6,573,824

6. Budget

The budgeted amounts disclosed in these statements are those approved by the Board.

Schedule 1

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

		Budget 2006	Actual 2006	Actual 2005
Saskatoon/Lanigan Area				
Rural Municipalities				
279	Mount Hope	$ 636	$ 636	$ 628
280	Wreford	30,803	30,804	27,644
281	Wood Creek	3,575	3,575	2,355
283	Rosedale	1,706	1,706	1,394
309	Prairie Rose	79,249	79,250	58,043
310	Usborne	365,359	365,367	321,140
312	Morris	233,596	233,601	205,110
313	Lost River	162,089	162,093	126,036
314	Dundurn	129,372	129,375	116,965
315	Montrose	123,963	123,965	124,538
316	Harris	31,267	31,268	24,598
339	Leroy	51,695	51,696	36,673
340	Wolverine	303,603	303,610	226,520
341	Viscount	257,108	257,113	248,188
342	Colonsay	312,052	312,059	253,551
343	Blucher	367,065	367,073	354,478
344	Corman Park	497,826	497,837	455,470
345	Vanscoy	573,267	573,279	499,385
346	Perdue	130,980	130,983	107,892
371	Bayne	31,405	31,406	24,873
372	Grant	46,932	46,933	49,030
373	Aberdeen	133,551	133,554	109,628
376	Eagle Creek	21,105	21,106	17,346
		3,888,204	3,888,289	3,391,485
Urban Municipalities				
Town of Aberdeen		8,469	8,470	7,388
Town of Allan		43,077	43,078	37,574
Town of Asquith		9,104	9,104	7,941
Village of Bradwell		9,897	9,897	8,633
Village of Clavet		22,649	22,649	19,755
Town of Colonsay		27,026	27,027	23,574
Town of Dalmeny		20,698	20,698	18,054
Town of Delisle		56,083	56,084	48,918
Village of Drake		3,933	3,933	3,431
Village of Elstow		6,154	6,154	5,368
Village of Guernsey		-	-	5,976
RM of Usborne No.310		6,852	6,852	-
Village of Kinley		634	634	553
Town of Langham		17,018	17,019	14,844

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2006	Actual 2006	Actual 2005
Saskatoon/Lanigan Area			
Urban Municipalities			
Town of Lanigan	72,609	72,611	63,333
Town of Martensville	20,017	20,016	17,459
Village of Meacham	1,427	1,427	1,245
Village of Perdue	5,900	5,900	5,146
Village of Plunkett	1,190	1,190	1,038
Village of Vanscoy	21,887	21,888	19,091
Village of Viscount	17,256	17,257	15,052
Town of Vonda	5,107	5,107	4,455
Town of Warman	25,075	25,076	21,872
Town of Watrous	22,681	22,681	19,783
Village of Young	4,742	4,742	4,136
Village of Zelma	2,538	2,538	2,213
	432,023	432,032	376,832
	4,320,227	4,320,321	3,768,317
Esterhazy Area			
Rural Municipalities			
121 Moosomin	52,548	52,549	60,400
122 Martin	16,391	16,391	18,453
151 Rocanville	324,203	324,204	409,639
152 Spy Hill	481,926	481,928	582,643
153 Willowdale	37,688	37,688	47,437
181 Langenburg	414,731	414,732	450,172
183 Fertile Belt	305,890	305,891	361,441
211 Churchbridge	105,430	105,431	124,724
213 Saltcoats	65,736	65,735	91,618
	1,804,543	1,804,549	2,146,527
Urban Municipalities			
Village of Atwater	387	387	460
Village of Bangor	619	619	736
Town of Bredenbury	4,561	4,561	5,426
Town of Churchbridge	10,257	10,257	12,200
Town of Esterhazy	86,279	86,279	102,629
Village of Gerald	8,195	8,195	9,748
Town of Langenburg	13,581	13,581	16,155
Town of Rocanville	45,716	45,716	54,380

Municipal Potash Tax Sharing Administration Board

Schedule of Tax Sharing Distributions Made to Municipalities
For the Year Ended December 31

	Budget 2006	Actual 2006	Actual 2005
Esterhazy Area			
Urban Municipalities			
Village of Spy Hill	10,978	10,978	13,059
Village of Stockholm	3,904	3,904	4,644
Village of Tantallon	5,669	5,669	6,744
Village of Welwyn	5,566	5,566	6,621
Village of Yarbo	4,793	4,793	5,701
	200,505	200,505	238,503
	2,005,048	2,005,054	2,385,030
Pense Area			
Rural Municipalities			
129 Bratt's Lake	3,563	3,563	2,281
130 Redburn	48,323	48,323	43,208
131 Baildon	27,243	27,243	17,710
159 Sherwood	38,149	38,149	31,343
160 Pense	202,974	202,975	160,689
161 Moose Jaw	94,606	94,606	77,823
189 Lumsden	11,995	11,995	9,333
190 Dufferin	19,877	19,877	19,092
191 Marquis	8,994	8,994	8,075
	455,724	455,725	369,554
Urban Municipalities			
Village of Belle Plaine	3,781	3,781	3,066
Village of Bethune	5,131	5,131	4,161
Village of Briercrest	1,526	1,526	1,237
Village of Disley	837	837	679
Village of Drinkwater	4,321	4,321	3,504
Village of Grand Coulee	4,942	4,942	4,007
Village of Pense	28,788	28,788	23,345
Village of Tuxford	1,310	1,310	1,062
	50,636	50,636	41,061
	506,360	506,361	410,615
Total tax sharing (Statement 2)	$ 6,831,635	$ 6,831,736	$ 6,563,962